

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

IN RE:)	CHAPTER 11
)	
VERSO TECHNOLOGIES, INC., et al.,)	Jointly Administered Under
)	Case No. 08-67659-jb
Debtors.)	

NOTICE OF FILING STATUS REPORT ON ASSET SALES

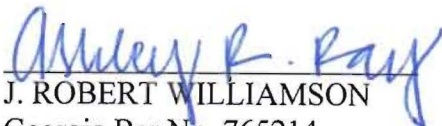
COME NOW Verso Technologies, Inc., sentitO Networks, Inc., Telemate.Net Software, Inc., Verso Verilink, LLC, and Verso Backhaul Solutions, Inc., Debtors in the above-referenced jointly administered case, and provide notice of filing the attached Status Report on Asset Sales detailing the sales which the Debtors have closed to date.

This 1st day of October, 2008.

Respectfully submitted,

SCROGGINS & WILLIAMSON

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VERSO TECHNOLOGIES, INC., et al.

REPORT OF ASSET SALES

Summary of Asset Sales Results in Chapter 11 Cases

The results to date of Verso's sales efforts are summarized in Table 1, which demonstrates that the asset sales activities have produced approximately \$1 million and operations and DIP borrowing have produced an additional \$330,783, generating cash in excess of Laurus collateral totaling \$1.4 million. The individual sales are detailed in Table 2 through Table 5.

Table 1 - Asset Sale Summary (\$)

Total Gross Sales Proceeds	9,835,293
Cure Costs & Breakup Fees	(130,084)
Professional Commissions	(941,302)
Laurus Payments	(7,693,453)
Net Proceeds Available to Estate	1,070,454
Cash from Operations and DIP Borrowing	330,783
Total Cash Available to Estate as of August 29th	1,401,237

Table 2 - Verilink Sale Detail (\$) (Closed 7-15-08)

Verilink Sale Gross Proceeds	3,448,510
Landlord Cure Costs	(70,084)
NatCity Investments Fee	(114,236)
Laurus Payment	(3,264,189)
Net Proceeds Available to Estate	0

Table 3 - Backhaul Sale Detail (\$) (Closed 7-18-08)

Backhaul Gross Sales Proceeds	3,886,783
Sevis Systems Breakup Fee	(60,000)
NatCity Brokers Fee	(128,264)
Laurus Payment	(3,698,519)
Net Proceeds Available to Estate	0

Table 4 - sentitO Patent Sale Detail (\$) (Closed 7-24-08)

sentitO Patent Sale	500,000
Kelakos Advisors Commission	(37,500)
Laurus Payment	(462,500)
Net Proceeds Available to Estate	0

Table 5 - Softswitch Sale Detail (\$) (Closed 8-29-08)

Softswitch Sale Gross Proceeds	2,000,000
NatCity Commission	(66,000)
Administrative Expenses per DIP	(595,302)
Laurus Payment	(268,244)
Net Proceeds Available to Estate	<u>1,070,454</u>

CERTIFICATE OF SERVICE

This is to certify that I have this day served a true and correct copy of the attached
NOTICE OF FILING STATUS REPORT ON ASSET SALES by causing it to be deposited
in the United States Mail in a properly addressed envelope with adequate postage affixed thereon
to following parties:

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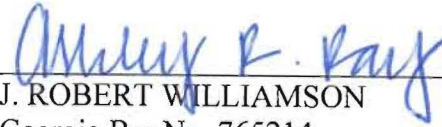
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This 1st day of October, 2008.

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